



Northwest Public Power Association

9817 N.E. 54th Street Vancouver, WA 98662-6064  
(360) 254-0109 FAX (360) 254-5731  
E-mail: [nwppa@nwppa.org](mailto:nwppa@nwppa.org)  
Web site: [www.nwppa.org](http://www.nwppa.org)

**NWPPA POSITION PAPER**  
**IN SUPPORT FOR THE ESTABLISHMENT OF A**  
**FEDERAL CONTROL AREA FOR THE SIERRA NEVADA REGION**  
**OF THE WESTERN AREA POWER ADMINISTRATION**

The seasonal exchange of power between the Power Marketing Administrations in the Northwest and California has been a beneficial arrangement that has helped bring affordable and reliable power to ratepayers in both regions for years. However, the Western Area Power Administration (WAPA) faces changes in the way it does business and operates its facilities with the December 31, 2004 expiration of significant PG&E contracts.

To address this issue, WAPA has initiated a public process to evaluate alternatives, including the creation and operation of a separate Federal Control Area (FCA) for its functions following the expiration of these contracts. The formation of a FCA will maintain the status quo and will not add complexity to the grid.

WAPA has forty years of grid management experience and it operates control areas in every region in which it has facilities except in Northern California. These control areas currently interface and coordinate with other control areas, including the CAISO.

On a smaller scale, the CAISO has significant experience working with other control areas within WAPA's service territory (operated by the Sacramento Municipal Utility District, Los Angeles Department of Water and Power and Imperial Irrigation District). However, the complex rules of the CAISO are more likely to create seams issues within the Western grid than is the creation of the FCA.

Additionally, WAPA operates within the constraints of the Federal laws and obligations that govern the operation of the Central Valley Project, the power it delivers is largely subsidiary to the flood control and water supply operations of the Bureau of Reclamation. It will be extremely difficult for WAPA to meet its statutory obligations while also complying with the convoluted and complex requirements imposed by the CAISO.

Given these factors, the Northwest Public Power Association (NWPPA) believes the creation of the FCA will ensure open access and equitable treatment of all on the WAPA transmission system, and will bring an end to unfair discrimination at the expense of WAPA's customers. The FCA will also aid in the seamless, seasonal exchange of power throughout the Western energy grid ultimately benefiting the Western United States.

The NWPPA supports the FCA alternative as set forth in the alternatives published by WAPA in its public process as the superior approach for the furtherance of the best interests of WAPA's customers, the State of California and the Western United States, and urges the Department of Energy to move expeditiously to facilitate the creation of the proposed FCA.

**NWPPA Board Approved for Release: 12-9-03**